

AMENDED IN SENATE JUNE 11, 2007

AMENDED IN SENATE JUNE 4, 2007

AMENDED IN ASSEMBLY APRIL 30, 2007

AMENDED IN ASSEMBLY APRIL 17, 2007

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 941**

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**Introduced by Assembly Member Torrico**

February 22, 2007

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An act relating to lending.

### LEGISLATIVE COUNSEL'S DIGEST

AB 941, as amended, Torrico. Real property loans: disclosures.

Existing law, the Real Estate Law, requires a real estate broker, who negotiates a loan to be secured by a lien on real property, to deliver to the borrower a statement in writing containing specified information relating to the loan transaction. Existing law requires a lender to provide a borrower with specified information prior to execution by the borrower of a mortgage payment instrument.

This bill would require the Department of Real Estate, ~~in conjunction with the cooperation of the~~ Department of Corporations and the Department of Financial Institutions, to review the ~~mortgage loan~~ *real property transaction* disclosure process and, by July 1, 2008, to *complete a draft report and post it on its Internet Web site for public review. The bill would require the Department of Real Estate to hold 2 public hearings to receive public comment on its draft report and to submit a*

*final report to the Legislature by January 1, 2009, with recommendations on how that process can be improved, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. (a) The Department of Real Estate, ~~in conjunction~~  
2 ~~with~~ *with the cooperation of* the Department of Corporations and  
3 the Department of Financial Institutions, shall review the ~~mortgage~~  
4 ~~loan real property transaction~~ disclosure process and, ~~by July 1,~~  
5 ~~2008,~~ report to the Legislature with recommendations on how that  
6 process can be improved to ensure a consumer's ability to better  
7 understand the terms of ~~a the transaction, including the terms of~~  
8 ~~his or her~~ mortgage loan. This report shall include, but not be  
9 limited to, recommendations on which state-required mortgage  
10 documents ~~should be updated to reflect today's market.~~ *should be*  
11 *amended, consolidated, made optional, or eliminated.*
- 12     (b) *The department shall complete a draft report by July 1,*  
13 *2008, which shall be posted on its Internet Web site and made*  
14 *available free of charge to members of the public for review. The*  
15 *department shall hold two public hearings to receive public*  
16 *comment on the draft report, one in northern California and one*  
17 *in southern California. The department shall also accept written*  
18 *comments on the draft report through October 31, 2008, and shall*  
19 *submit a final report to the Legislature by January 1, 2009.*